

Statewide Internet Portal Authority (SIPA) Board of Directors

MINUTES

SIPA Board of Directors Meeting

March 2, 2006

1:30 p.m. – 4:00 p.m.

Legislative Services Building

200 E. 14th Ave.

Audit Hearing Room, 1st Floor

Denver, CO

I. Call to Order: 1:40 p.m. Chairman Cadman

A. Roll Call

Attendees: Rep. Cadman, Cooke, Dennis, Feingold, Jenik, Marroney, Picanso, Sen. May, Sobanet

Excused: Arrowsmith, Wells, Williams, T.

Absent: Groff

Quorum established.

Notes transcribed by Angie Onorofskie, Statewide Internet Portal Authority

B. Introduction of Audience

C. Approval of February 2, 2006 Meeting Minutes

MOTION: to approve the February 2, 2006 meeting minutes of the SIPA Board of Directors.

Sobanet/ Dennis

APPROVED UNANIMOUSLY

II. Committee Reports

A. Business Committee, Michael Cooke

Michael Cooke reported that the Business Committee met to discuss and review the PMO Policy. The committee made some suggested revisions to policy, but they are not ready to recommend approval yet because they are still waiting for some information.

B. Contracts Committee, Richard Westfall

Richard Westfall, SIPA Legal Counsel, stated that he was pleased to announce that the EGE is complete. While the process took a lot of work, it went very well and the input was very valuable. The completed EGE with the Department of Revenue will serve as a structural model for future agreements with other departments.

Discussion:

Chairman Cadman asked if the Contracts Committee should be resolved since the EGE was completed.

Richard Westfall stated that the committee should not be resolved, as there will always be contracts. He added that several counties are in serious conversations to bring local government onto the portal, even sooner than originally thought. There is a one –dollar statutory fee for eRecording, for example. There are currently issues as to how to deal with that statutory fee. SIPA is designed to facilitate projects such as this. Richard Westfall added that there was a wonderful meeting in his office last week to discuss these issues. He stated that Jack Arrowsmith has done a lot of work with the various counties and CI to try to push this forward. During the meeting, there were a lot of questions answered, and at the end of the meeting there was a solid thinking that they could go forward. The next step is for Rich Olsen of CI to work on a business plan for eRecording. Richard Westfall expressed that he was very excited about this project, as it could be a huge development for the portal.

C. Finance Committee, Henry Sobanet

Henry Sobanet stated that he would provide an ad hoc report. He reported that the good news is that we have a self- funded portal. He also stated that he met with Don Ravenscroft and Angie Onorofskie to get financials in order, and they are currently working on resource allocation. Henry Sobanet also stated that the Business Committee might be asked for help on this. Additionally, he stated that the committee is looking for help from OIT as to how to properly move forward with the proposed additional position. Henry Sobanet added that we are well ahead of projected revenue, and the Governor is happily aware that the funds are not being used for the portal. The federal funds will be used for state infrastructure.

Discussion:

Senator May requested that the monthly financial statements include the prior month as well.

ACTION ITEM: SIPA Office will revise the financial statement to include the prior month.

D. Personnel Committee, Representative Cadman

Chairman Cadman reported that the Personnel Committee met to discuss two issues including, the hiring of a new person and the proposed compensation policies. Chairman Cadman stated that the committee is not ready to make a report or recommendation at this time, but they hope to have a resolution prior to next month.

III. New Business

A. Executive Director Update, Don Ravenscroft

Don Ravenscroft announced that the leading candidate for the SIPA logo was projected on the wall. He stated that he thought it was pretty snazzy, and he likes it a lot. He then continued with his presentation.

1. Financial Report

Don Ravenscroft reported that the financial statement projected on the wall is identical to the statement sent out to the Board on February 28. He noted that the account balance started at about 114,000 dollars, and it ended at about 132,000 dollars at the end of the month. The revenue share was about 10,000 dollars, and the fixed share amount was 37,500 dollars.

Discussion:

Greg Jenik asked, in terms of real estate, if SIPA had been looking at new locations. He stated that he thought Jeff Wells had offered some space at DPA.

Don Ravenscroft replied that SIPA has sent a letter of intent to occupy the space at DPA. The plan is to move in by the July 1, 2006. The space has to be built out, but the lease fee includes build out costs. There will be some additional costs for furniture and other incidentals, but it will still be an overall cost savings compared to the current location.

Henry Sobanet asked if it was necessary for the Board to approve the proposed SIPA logo.

Don Ravenscroft replied that it's not necessary for the Board to approve the logo, but he wanted to see what the Board thought about it. SIPA has received several good suggestions, especially with the use of the Colorado "C".

Senator May provided some suggestions of places where SIPA could look for office furniture.

Financial Report (continued)

Don Ravenscroft pointed out the Income Graph on the slide. Don Ravenscroft explained that he created the income graph in responses to Senator May's request at the last meeting. He explained that "purple" represents a linear function since it is planned income, and "green"

represents actual income. From the graph, it is evident that actual income is about 10,000 dollars above planned income.

2. New SIPA Website

Angie Onorofskie passed out the draft SIPA Website created by CI. Angie Onorofskie explained that she had been working closely with CI to design a new SIPA Website that is more functional and eye pleasing than the current Website. The new SIPA Website conforms to the new Colorado look and feel, and it would be the guinea pig for utilizing the new content management system when it is ready.

Don Ravenscroft added that there is also a desire to add a communication site for the Board that would allow them to see drafts for review. He explained that the Board could log onto the Website so that e-mails would be cut down.

Gigi Dennis stated that the Secretary of State's Office could trademark the SIPA logo and waive all fees.

Henry Sobanet stated that he was pleased that the SIPA Website was going to have the new look and feel as a part of the state branding, especially since the portal is one of the five legs of the stool.

3. IV&V Report

Don Ravenscroft stated he is proposing to have SysTest perform IV&V on the upcoming Single-Logon project. Don Ravenscroft is currently talking with SysTest about costs, etc.

4. SIPA Policies

PMO Policy – Don Ravenscroft reported that he didn't have anything to add to what the business committee reported.

Banking Account Policy (SIPA 004) Revision – Don Ravenscroft stated that he would ask for approval of the SIPA Banking Policy. He reported that about three weeks ago, there was a meeting with Treasury and a representative from the AG office. There was a concern about the treatment of public funds and what they are, specifically with the credit card and payment engine. The AG provided a verbal opinion that the moment the customer pushes a button to submit payment; the funds should be protected until they are no longer public.

Richard Westfall, SIPA Legal Counsel, explained the Public Deposit Protection Act (PDPA). He stated that PDPA is a special provision in Colorado that says public funds have to be deposited in a PDPA protected institution. Federal Government has limited protection, so the PDPA requires banking at an institution that will accept PDPA monies. If a

PDPA financial institution were to go belly-up, Colorado would be protected and made whole. This was a major concern of the Deputy Attorney General, who represents the Department of Treasury. He wanted to make sure that the foundation was set.

Don Ravenscroft added that currently, CI collects the funds and they go into CI's account. Since CI is a non-state organization, they cannot create a PDPA certified account. The solution is that we create a PDPA certified account owned by SIPA but jointly administered by SIPA and CI. CI is more equipped to handle the volume of transactions that are gathered using the payment engine and credit card services.

Don Ravenscroft presented a slide that showed an example of the transaction process:

- A customer would pay a ten -dollar statutory fee and a three-dollar convenience fee.
- The whole 13 dollars would be deposited in the SIPA PDPA certified account (administered by CI).
- CI would then send the ten-dollar statutory fee to the State account (at this point, the public funds would no longer be SIPA's responsibility).
- The three-dollar convenience fee would be sent to the CI account and redistributed (for example, the credit card processor would be paid out of this).

The PDPA certified account would simply be a pass-through account, which would protect public funds and allow the State to receive statutory fees in a timely manner.

Discussion:

Bob Feingold asked if any of the CI employees are required to have bonding as a part of administering accounts.

Ron May suggested that it may be a blanket situation, and he suggested talking with Dan Cartin at Legislative Services.

Don Ravenscroft added that Treasury often shares accounts with private entities. He also stated that the Board would receive monthly reports on transactions that occur in all of the accounts. However, for the joint account, he would like to make an exception. Instead of SIPA providing a transaction-by-transaction history, CI would create a summary report. There is probably too much activity to report every single transaction monthly to the Board.

Greg Jenik suggested that CI could provide a quarterly report so that the Board could get a view into some level of granularity- what percentages are going to credit card fees, agencies, etc.

Rich Olsen stated that CI could absolutely provide such a report that breaks down, for example, how much is going to credit card fees.

Bob Feingold stated that the process is also subject to periodic audit.

Senator May stated that the Legislature and the JBC will be concerned with making sure that departments delivering products will be getting what they are supposed to be getting. He added that if the departments were not getting what they were supposed to get, it would negatively affect their budgets.

Greg Jenik asked if a variety of financial institutions provide PDPA certified accounts.

Don stated that SIPA would use CHASE, which is PDPA certified. He added that CI's account is there as well as many of the State's accounts.

Greg Jenik asked if it was a one-to-one ratio backing of the account.

Richard Westfall stated that he can't remember the exact ratio, but he thinks it's about 105 percent back up (government securities set aside).

Henry Sobanet clarified that it would really just be a holding account, but it must still be backed up.

Greg Jenik stated that he was just curious because it is certainly more backing than one would receive on a personal account.

Richard Westfall agreed that it is more backing. He added that the PDPA certified institutions have the ability to do so, as they are dealing at such a macro level.

Don Ravenscroft stated that the policy allows that SIPA would provide monitoring and reporting, and CI would be doing deposits, withdrawals, and reporting.

Michael Cooke asked about TABOR issues, relative to credit card transactions.

Richard Westfall, SIPA Legal Counsel, stated that he does not believe there are any issues. They should have hopefully been worked out.

Gerald Marroney asked which fees were not affected by TABOR.

Richard Westfall stated that the question about TABOR has come up again and again from various levels, including the State Controller. There has been an issue raised about the entire revenue stream with people doing business with eGovernment. He stated that there is clearly statutory revenue, and the process is transparent. The question has to do with the three-dollar convenience fee, for example. Since SIPA is standing in on the part of government, it could be perceived that the three-dollar convenience fee could be affected by TABOR. This is the core of the discussion.

Senator May stated that the bill was written to avoid TABOR issues. He asked if there was a mistake in this.

Richard Westfall stated that there was no mistake.

Gerald Marroney clarified that part of the three-dollar convenience fee goes to SIPA, and part of it goes to credit card fees. He gave an example using DOR. He clarified that the department is still getting some of the cash from the transaction.

Senator May stated that DOR, for example, is authorized (statutorily) to get a certain amount.

Michael Cooke clarified that none of the three-dollar convenience fee goes to the department; only the ten-dollar statutory fee goes to the department.

Gerald Marroney clarified then that the three-dollar convenience fee is not subject to TABOR because it is going to SIPA rather than the agency.

Henry Sobanet agreed, and he added that if the fee doesn't touch the state books, it couldn't be accounted as a spending or reserve increase. He stated that this is why SIPA was created as an authority. If the credit card transaction fee never hits the State books, then it doesn't have to be accounted for by the State.

Richard Westfall added that the legislation was drafted very well, and that is what is so great about it.

Henry Sobanet stated that the legislation provides that the convenience fee is kept separate for the service provided by the company.

Michael Cooke stated that the problem has been that the agencies assumed that the credit card fee had to be appropriated even though it never hits the books. Clearing this issue up is very good for everybody, not just the portal.

Senator May asked if the law says that.

Michael Cooke stated that DOR passed a bill in 2003 for the use of credit cards, which allowed fees to be passed to the citizens. Otherwise the agencies could accept credit cards, but they would have to eat the fee. Prior to that DORA was eating the fees.

Senator May asked if a bill was needed.

Michael Cooke stated that a bill is not necessary right now. Prior to the bill in 2003, the State Controller accounted the credit card fees as revenue, even if the fees went to a third party.

Don Ravenscroft stated that the last exemption to the policy is an exemption for ACH transfers to CHFA for payroll. The previous policy that was put into effect for banking gave the executive

director spending cap of 15,000 dollars. It turns out that payroll is above that, and therefore the executive director is not authorized to sign the checks to cover payroll. Rather than change the previous cap, Don Ravenscroft stated that he would ask to allow salary payments to CHFA to be done automatically through an ACH transfer. The policy currently accounts for this for the Board to allow for exemptions.

Henry Sobanet stated that he worked with Don Ravenscroft on the issue, and he would like to move to approve the amendment to the policy.

MOTION: to approve the amendment to SIPA Banking Policy 004, which maintains that the executive director is only authorized to spend up to 15,000 dollars with the exception of payroll which is above 15,000 dollars. Payroll costs would be automatically paid to CHFA through an ACH transfer.

Sobanet/ Marroney

APPROVED UNANIMOUSLY

Angie Onorofskie asked for clarification if the Board was moving to approve the policy and the amendment. She stated that, although there was much conversation surrounding the approval of the SIPA Banking Policy at the last meeting, it was never approved.

Chairman Cadman asked for a motion of reconsideration, as the motion had already been approved.

MOTION: to remove the motion and the motion second.

Sobanet/ Feingold

APPROVED UNANIMOUSLY

The motion was back on the table.

MOTION: To approve the SIPA Banking Policy (004) with a 15,000 - dollar maximum cap signed only by the executive director with the exemption for reimbursing CHFA for payroll.

Sobanet/ Marroney

APPROVED UNANIMOUSLY

ACTION ITEM: Send the Board copies of Power Point presentations.

B. Colorado Interactive Update, Rich Olsen

1. General Updates

Rich Olsen reported that a great deal has happened in the last month. He reported that CI hired two staff members, and they now have a staff of ten total. He added that one of the new staff members is dedicated to content management.

Additionally, he stated that, CI has established a support e-mail address and a 1-800 phone number. As applications are released, customers can get instant help. CI is still testing both of these, and they will give the Board the new contact information at the next meeting.

2. Applications

Payment Engine/COFRS Integration

Rich Olsen reported that there are a couple of applications in a major development state. The first application is the payment engine and COFRS integration. CI has been working with the State Controller's Office, DPA, and accounting. They are making sure it is as close to normal as possible, and they are trying to get the main system as close as possible as well.

Content Management

The hardware for content management is in place. The month of March will be devoted to training and configuring. The person who was hired as a dedicated staff member to content management will train department staff on how to use the system. He will also provide ongoing support, and he will help them to use the templates.

Colorado.gov Migration

CI is also working on moving more of the Colorado.gov website onto the new infrastructure. The "Hurricane" server is pretty dated, and things need to be moved off as quickly as possible.

Discussion

Senator May asked who is responsible for the Website.

Rich Olsen stated that Colorado Interactive is responsible for the Website.

Senator May asked which specific people are responsible for the Website.

Rich Olsen stated that technical folks in the background who do systems are responsible for the Website.

Senator May asked who was in charge of look and feel.

Rich Olsen answered that the look and feel was previously managed by OIT, but Colorado Interactive is now supporting the look and feel.

Senator May asked what happened to “There Ought to be a Law”.

Henry Sobanet stated that Colorado Interactive shouldn’t be in hot seat for “There Ought to be a Law”. The Governor’s Office is still trying to figure out where to put the thousands of suggestions that would result with the application.

Senator May clarified that the application is ready, but it’s not live.

Henry Sobanet reiterated that the removal of “There Ought to be a Law” from Colorado.gov is not due to CI’s ability. It had to do with the ability of Governor’s Office to handle submissions.

Rich Olsen added that “There Ought to be a Law” was live for about one hour before it was taken down.

Rich Olsen stated that the other application CI is currently working on is eRecording that Richard Westfall explained earlier. Rich Olsen added that Adams, Larimer, Douglas and Denver counties are willing to talk about this potential project.

Senator May stated that he wanted to make sure that focus is not lost on building applications for State agencies as well.

3. Service Metrics

Rich Olsen reported that Live Help has seen a 20 percent increase

4. Financial Report

The financials were very strong for January- 60,000 dollars higher than usual. CI reached out to the vendors to see what the cause of this was, but it seems to be an anomaly.

5. Marketing Collateral

Rich Olsen stated that at the February meeting, CI told the Board that they would be coming up with marketing collateral for the portal. The examples were passed out. Rich Olsen explained that the marketing collateral pieces were very general, but CI wanted to show them to the Board. He explained that there is a common theme throughout the marketing collateral pieces. CI borrowed some ideas from other states and they also came up with some original ideas as well.

The common themes of the pieces are that Colorado.gov has a lot to offer, and citizens can take care of business on their own terms, on their own schedule, and from location they prefer. Citizens do not have to wait in line, as Colorado.gov offers a hassle free way of doing business.

Rich Olsen went on to explain that two of the pieces have pictures of feet on them. The messages are all very good, and they have the Colorado

logo on the bottom. The size is meant for mailing but they could also be given away. Four of the pieces are for the general population, and one is specifically for the legislators (has a picture of the State Capitol).

Rich Olsen explained that generally, when portals are just starting, marketing is done from the ground up. Then when a new application goes live, the marketing is focused on the applications to drive citizens to the site.

Rich Olsen gave an example using motor vehicle information. He stated that an automobile association, for example, would be very interested in motor vehicle information. Therefore, there would be a marketing plan for that particular group that could be presented at the association meeting. He stated that the marketing pieces presented today are very general, and they urge citizens to visit Colorado.gov. Rich Olsen then asked the Board for any comments or suggestions on the marketing pieces.

Discussion:

Senator May advised CI to be careful. He explained that there are 100 legislators, and they will pass legislation that you will put such and such up by such and such date. The process is that each bill has a fiscal note. At some point legislators will jump in with no date.

Bill Cadman stated he really liked the pieces, and he joked that he would like 10,000 of the pieces.

Bob Feingold offered a word of caution as well. He explained that there were four items on the back of one of the pieces. He stated that certain divisions perform those links. While there might be a link on the portal, those applications may not necessarily be created by the portal. He went on to say that this could be a sensitive issue with departments. He suggested that if CI wanted to use these examples, it might be a good idea to talk to the agencies first. .

Greg Jenik stated that he had two precautionary suggestions. He suggested making sure that the items on the collateral are applications that already exist. Second, he stated, that he would like to see the marketing collateral in the context of market rollout, in terms of when we would be going to press with news stories. He added that he would love to see the marketing plan/rollout plan.

Rich Olsen stated that when the first application goes out that necessitates a marketing plan, he will make sure that the Board sees it.

Michael Cooke stated that she really liked the marketing pieces, especially the one with the “first in line every time” and the feet. She stated that she would caution using the line “all that government has to offer” since not all applications will be online.

Senator May stated that even if it's not on Colorado.gov citizens should still be able to access the services.

Henry Sobanet agreed. However, he said it seems that the concern is that a lot of the stuff that people do most, such as driver's license renewal, is not on Colorado.gov yet.

Bob Feingold added that agencies are very proud of their services, and they are very territorial. He stated that we have to be careful about taking credit for things that we did not create.

Rich Olsen asked if he viewed it as taking credit.

Bob Feingold said that he did view it as taking credit, as he used to be a CIO.

Greg Jenik added that these pieces provide nice advertisement for the agencies, however we should make sure that the agencies buy in. Greg Jenik also asked if the new SIPA branding is going along with the new look and feel.

Henry Sobanet confirmed that the colors and fonts are in line with the new look and feel.

Senator May stated that there are several departments that are using credit card collections already, and he asked how this would integrate with what we are doing.

Bob Feingold stated that it wouldn't change a thing until the agencies decide to work with SIPA.

Senator May stated that the agreements were separately negotiated by the different agencies, and they have all been approved. He stated that he was concerned that there would be no transition for those agencies.

Bob Feingold stated that nothing would change for the agencies until they are ready to come on board with SIPA.

Richard Westfall, Legal Counsel, state that Treasury issued an RFP, including a request for the portal. Originally, Legal Counsel had concerns because SIPA should not be under the direction of any agency. Those concerns were addressed through a revised RFP, however. On an ongoing basis, there will be SIPA's piece and Treasury's piece due to legislation in 1999. Both of these will work cooperatively together. As departments join through an EGE, there will probably be migration.

Greg Jenik clarified that in the EGE Agreements being negotiated, it is written that there is the ability to market services through SIPA. Greg Jenik stated that perhaps the EGE Agreements would alleviate some of Bob Feingold's concerns. However, he added that it still might be appropriate protocol to talk with the agencies.

Bob Feingold stated that a completed EGE Agreement with an agency would alleviate his concerns, but until then he felt it was intruding on the departments.

Rich Olsen stated that he agreed, and Bob Feingold's concern makes perfect sense.

Bill Cadman stated that he would have to leave the meeting, and therefore he authorized Senator May to chair the rest of the meeting.

Senator May would chair the remainder of the meeting in Bill Cadman's absence.

Michael Cooke stated that this is a good heads up for communication, and it will vary from department to department. Michael Cooke stated that personally, as Executive Director of the Department of Revenue, she couldn't wait to market services through the portal.

Henry Sobanet added that it is simply necessary to strike a balance between generally managing and promoting, while still acknowledging the work of the agencies. He added that it would be figured out, and the Website would be well promoted. He hoped that none of the agencies would feel as though SIPA was trying to take credit for their work.

Rich Olsen thanked the Board for the feedback, and he added that the purpose of creating the marketing pieces was to get feedback.

Senator May asked if Rich Olsen had anything else to report.

Rich Olsen stated that he his update was complete.

Senator May asked how cooperation has been so far with the agencies.

Rich Olsen answered that CI was getting good feedback. He stated that priorities of agencies have shifted since the time CI initially spoke with departments. CI is in the process of going back to the agencies and determining which departments are actually ready to go and when. Rich Olsen added that naturally there may be shifting of the queue, but it is to be expected.

IV. Additional Discussion

Discussion:

Senator May asked the Board if everyone was happy with the agenda layout. He added that the financial report would be different ongoing. He added that in church finances, it is normal to use two columns (real vs. budget). He asked if the Board had any druthers with that system.

Henry Sobanet stated that Don Ravenscroft has a full year tracking system, which could be an attachment.

Gerald Marroney suggested to use the two-column form for now and see how it goes. That way there is only one form.

Don Ravenscroft stated that it wouldn't be a problem. He stated that what would be strange is that a lot of the bills that have not come in or don't get billed to the current month until one

month later. It could appear that we are out of line because it may or may not have hit the books yet.

V. Agenda Items for Next Meeting

None specific.

Next meeting is scheduled for:

Thursday, April 6, 2006

1:30 p.m. – 4:00 p.m.

Legislative Services Building

200 E. 14th Ave.

Audit Hearing Room, 1st Floor

Denver, CO

VI. Adjournment

MOTION: to adjourn the March 2, 2006 meeting of the SIPA Board of Directors.

Dennis/Sobanet

APPROVED UNANIMOUSLY

The meeting was adjourned at 2:51 p.m.